

very first Library Director for the City of White House beginning in 1987, Ms. Melton upgraded the library reading selection, computer access catalog, and expanded staff, adding special programs for children, summer reading, adult education and genealogy.

The first library housed 5,500 books. Today, under Melton's direction, the library has 16,000 volumes and circulated more than 55,000 in 2000. With White House as one of the fastest growing cities in Tennessee, Melton's challenge to improve the once small town library was significant. However, she rose to the challenge with excellence and enthusiasm.

Melton also acted as curator for the White House Inn Library museum, which houses numerous artifacts, news articles, and photographs chronicling the history of White House, Tennessee. The museum is located on the upper level of the facility and is often utilized by historians and genealogists thanks to Melton's hard work.

Barbara Melton was certified as a Public Library Manager in 1997, as a graduate of the Tennessee Department of State and the University of Tennessee. Further, she graduated from the University of Tennessee Municipal training program as Municipal Generalist in 1997.

Melton's efforts have not gone unnoticed by her peers. In 1998, the White House Chamber of Commerce named her White House Citizen of the Year. In fact, I was honored to participate in that special presentation recognizing her for all that she has accomplished for the citizens of White House.

In addition to Melton's outstanding work for the City of White House, she is devoted to her husband of 39 years, Ted K. Melton, daughter Paula Eller, son-in-law Christopher Eller, and granddaughter Savannah.

I congratulate Barbara Melton and thank her for laying a successful foundation promoting literacy for all citizens of White House, Tennessee, as Library Director, and wish her the best in her retirement.

#### INTRODUCTION OF FINANCIAL SERVICES "CONSUMER BILL OF RIGHTS" LEGISLATION

**HON. JOHN J. LaFALCE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 15, 2001*

Mr. LaFALCE. Mr. Speaker, today I and number of my Democratic colleagues are introducing eleven bills that would significantly expand the protections in current law for consumers of financial services. Taken together, our bills provide a "Consumer Bill of Rights" in the financial services sector and an aggressive consumer policy agenda for the 107th Congress.

Consumers confront unfair and deceptive practices that can only be described a "predatory" in connection with almost every financial decision that affects daily lives. We see predatory practices in connection with the homes we buy, with the automobiles we buy or lease, with the credit cards we use for everyday purchases and with the short-term credit we need to stretch our paychecks. Most disturbing, we are seeing predatory practices in connection with the most intimate and confidential aspects of our personal lives and our financial privacy.

The financial marketplace has changed significantly in recent years, but not all the changes have been positive for consumers. Two broad trends, in particular, greatly concern me. The first involves the growing segmentation of financial services into two separate and unequal financial services structures—one for middle and upper income individuals that involves traditional regulated and insured financial institutions; a second for lower-income households that involves higher cost services from less-regulated finance companies, check cashing firms, payday lenders and other quasi-financial entities. Millions of American families are being relegated to a substructure of subprime credit and high-cost services from which few will escape.

The second trend involves the growing acceptance and adoption by traditional financial institutions of the predatory ethics and abusive practices of what was considered, until recently, the fringe elements of the financial services sector. Where once the local bank epitomized integrity, confidentiality and customer service, today the practices of some of our traditional institutions are nearly inseparable from the non-regulated lender that pushes unaffordable debt and preys on consumers' misfortune. The practices once the province of the loan shark are now common placed in the market for credit cards, second mortgages, auto financing and other short-term debt.

These changes have been gradual, but their effect is unmistakable. Some of our Nation's largest and most respected financial institutions now see few problem in acquiring a widely denounced predatory mortgage company or having their name associated with chains of pawn shops and check cashing outlets.

The growing complexity of today's financial marketplace, by itself, should prompt Congress to consider additional measures to protect consumers. But these trends toward market segregation and predatory ethics now demand that consumers have additional rights and greater protections against unfair and abusive financial practices.

The eleven bills we are introducing today seek to address the most widespread and abusive practices confronting consumers in today's market for consumer credit and basic financial services. I will soon separately introduce with a number of my Democratic colleagues a twelfth bill that addresses a variety of unaddressed concerns involving financial privacy and commercial use of personal financial information.

Two of the bills we are introducing today deal with abuses in an area that has come to epitomize predatory financial practices—the problems of high cost mortgage refinancing, home equity loans and home improvement loans. We have witnessed the growth of an entire industry of high-cost "subprime" commercial lenders that systematically target homeowners with low incomes or damaged credit for deceptive offers of high-cost credit. These practices seek to place borrowers more deeply in debt, strip away their accumulated equity and force many homes into foreclosure. Our bill, the "Predatory Lending Consumer Protection Act of 2001," would expand the protections in current federal law to prevent loan packing, mortgage flipping, excessive fee financing and other practices that make abusive loans profitable. A second bill, the "Equal

Credit Enhancement and Neighborhood Protection Act of 2001," addresses the fair lending issues involved in predatory mortgage lending. It would add new federal protections to combat the discriminatory steering of racial groups to high cost loans and reverse redlining in subprime credit, and it would increase mortgage reporting requirements to help identify high-cost loans and patterns of discriminatory lending.

Two of the bills also address another area of widespread abuse—consumer credit cards. U.S. News reported earlier this week that Americans now charge more on credit cards than they spend in cash and that the average cardholder now carries a balance of more than \$4,400. The bill entitled "Consumer Credit Card Protection Amendments of 2001" addresses a variety of abuses that are common to most credit cards—inadequate disclosure of interest rates and terms, hidden fees and charges, inappropriate solicitations to minors, and penalties for practically every consumer action, including paying late, not making the minimum payment and even paying off monthly balances in full. The second bill, the "Credit Card Predatory Practices Prevention Act of 2001" addresses more systematic fraud in subprime credit card solicitations which target people with low incomes or damaged credit. It provides more specific strict prohibitions than current law against abusive sales practices, bait and switch tactics and billing schemes intended to generate interest and penalty payments.

Another important bill addresses the growing problem of "payday" loans, which involved short term extensions of credit at annual interest rates of 450 percent to 600 percent. Since payday lenders use consumers' personal checks to secure credit advances, they hold enormous leverage over the consumer in collecting debts by threatening the loss of check writing privileges and even prosecution for writing bad checks. The "Payday Loan Consumer Protection Amendments of 2001" would end this practice by prohibiting any extension of credit based solely on a check or other instruments drawn on federally insured accounts.

Automobile leasing is another area of growing consumer abuse that is addressed by the legislation. The potential abuse in complex lease transactions begins with the misrepresentation of lease payments and terms in lease advertisements. Today's lease advertisements have the single purpose of enticing consumers into dealerships where they can be confined into signing almost any lease deal. The "Consumer Automobile Lease Advertising Improvement Act of 2001" would standardize the information in lease advertisements and assure that consumers receive more detailed and accurate information, earlier in the process, to permit them to comparison shop for the best lease deals.

Additional bills seek to update and modernize two of our nation's most important consumer protection statutes. Key protections of the Truth in Lending Act, stated in dollar amounts in the late 1960s, have not been updated and, consequently, have been eroded by inflation and changing market practices. The "Truth in Lending Modernization Act of 2001" updates these provisions and adds new protections to assure that TILA's important rescission and civil liability protections remain